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PRE-APPEAL BRIEF REQUEST FOR REVIEW

Docket Number (Optional): S850:40630

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on November 2, 2005

Signature: [signature]

Typed or printed name: Lindsey Lin

Application Number	Filed
09/690,083	October 16, 2000

First Named Inventor: Craig L. Ogg

Art Unit	Examiner
3621	Firmin Backer

Applicant requests review of the rejection in the above-identified application. No amendments are being filed with this request.

This request is being filed with a notice of appeal.

The review is requested for the reason(s) stated on the attached sheet(s).
Note: No more than five (5) pages may be provided.

I am the

- [ ] applicant/inventor.
- [ ] assignee of record of the entire interest. See 37 CFR 3.71. Statement under 37 CFR 3.73(b) is enclosed. (Form PTO/SB/96)
- [x] attorney or agent of record. Registration number 48,534
- [ ] attorney or agent acting under 37 CFR 1.34. Registration number if acting under 37 CFR 1.34 _____

[signature]
Signature

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626-795-9900
Telephone number

November 2, 2005
Date

NOTE: Signatures of all the inventors or assignees of record of the entire interest or their representative(s) are required. Submit multiple forms if more than one signature is required, see below*.

- [ ] *Total of _____ forms are submitted.

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Lindsey Lin

Appl No.	: 09/690,083	Confirmation No. 2004
Applicant	: Craig L. Ogg	
Filed	: October 16, 2000	
Title	: CRYPTOGRAPHIC MODULE FOR SECURE PROCESSING OF VALUE-BEARING ITEMS	
TC/A.U.	: 3621	
Examiner	: Firmin Backer	
Docket No.	: 40630/SAH/S850	
Customer No.	: 23363	

ARGUMENTS IN SUPPORT OF THE PRE-APPEAL BRIEF REQUEST FOR REVIEW

Mail Stop AF
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November 2, 2005

Commissioner:

In support of the Pre-Appeal Brief Request for Review submitted herewith, the Applicant requests review for the following reasons:

I. The Examiner has committed a clear error in failing to establish that U.S. Patent Number 6,424,954 issued to Leon ("Leon") in view of U.S. Patent Number 6,546,377 issued to Gravell et al ("Gravell") teaches or suggests each of the elements of the claims.

II. The Examiner has committed a clear error by improperly combining Leon and Gravell.

ARGUMENTS

I. Failure to Establish that Cited References Teach or Suggest each Element of the Claims

The Examiner has rejected all of the claims, 1-120, including each of the independent claims, 1, 42, 72 and 104, as obvious under 35 U.S.C. § 103 based on Leon in view of Gravell.

In order to establish a *prima facie* case of obviousness the Examiner must show that the cited references teach or suggest each of the elements of the claim. In regard to the independent claim 1, this claim is for a cryptographic device that includes "a processor programmed to authenticate a plurality of users on the computer network for secure processing of a value bearing item, wherein the processor includes a state machine for determining a state corresponding to availability of one or more commands" and "wherein the cryptographic device is located remotely from the plurality of users."

As pointed out during the interview with the Examiner on April 19, 2005, and set forth in the response to Office action, mailed May 6, 2004, on page 22, Applicant has reviewed the cited sections of Leon but has been unable to discern any part therein that teaches these elements of claim 1. Rather, the cited section of Leon, Figs. 1A and 1B show a system with a secure meter device (SMD) 150 in communication via an RS-232 cable (Reference No. 122) with a single Personal Computer (PC) 120. The SMD of Leon as shown in Figs. 1A and 1B is a discrete localized hardware device connected to and associated with an individual PC. The device is housed in a tamper-proof case and located in close proximity to the user's PC such that a printer, scale or similar device can be directly coupled to the SMD. Thus, the system taught by Leon is based on the use of a individual SMD device directly coupled to each user PC. This necessitates the use of hundreds or thousands of SMD devices to service user. The system of Leon is the antithesis of the remote cryptographic device that authenticates a plurality of user recited in claim 1.

Thus, it is unclear to the Applicant how Leon, and specifically these figures cited by the Examiner, teach a remote cryptographic device and a processor that is able to "authenticate a plurality of users on the computer network." The sections of Leon that the Examiner continues to cite for supporting the assertion that a processor including "the state machine for determining

a state corresponding to availability of one or more commands" is taught by Leon all discuss the SMD. See the Abstract, figures 5A-7, and column 9 lines 35-67 of Leon, which were cited by the Examiner. Thus, the Examiner has not established that the SMD of Leon teaches or suggests each of the elements of claim 1. The Examiner failed to clarify his reliance on Leon in Paper number 7 and further confused the issue by acknowledging that "Leon fails to teach a system programmed to authenticate a plurality of user (*sic*) for secure processing if a value bearing item and memory for storing security device transaction data for ensuring authenticity of a user, wherein the security device transaction data is related to the one of the plurality of users and a the (*sic*) cryptographic module is remotely located from the user wherein once the user is authenticated (*sic*)." See page 3 of Paper number 7.

Further, the Examiner has not established that Gravell cures these defects of Leon. The sections of Gravell cited by the Examiner in Paper number 7 do not appear to teach a processor as recited in the independent claims. Rather, Gravell appears to teach separate servers, which would each have their own independent processors for handling different functionality. See Figure 1 and Col. 7, lines 21-37 of Gravell. Applicant has been unable to discern any part of Gravell that teaches a cryptographic device having a processor that "includes a state machine for determining a state corresponding to availability of one or more commands." Thus, the references combined fail to teach or suggest each of the elements of claim 1.

Claims 42, 72 and 104 contain elements similar to those of independent claim 1. Claim 42 includes the elements of "a plurality of remotely located users," "authenticating the plurality of users for secure processing of a value bearing item" and "determining a state in a state machine for availability of one or more commands." Claim 72 includes the elements of "a plurality of user terminals coupled to the computer network" and "a plurality of cryptographic devices remote from the plurality of user terminals and coupled to the computer network, wherein the plurality of cryptographic devices manages value available to users and includes a state machine for determining a state corresponding to one or more commands available to an authenticated user." Claim 104 includes the elements "one or more of a plurality of cryptographic devices remote from the plurality of user terminals, wherein each of the cryptographic devices manages value available for the value bearing items" and "determining a

state in a state machine for availability of one or more commands." The Examiner offers identical citations to Leon as teaching each these elements of the independent claims as were offered for claim 1.

In addition, claims 42, 72 and 104 include references to "a plurality of cryptographic devices" or similar elements. The Examiner has not indicated and the Applicant has been unable to discern any part of the cited references that teach this element of the claims. Thus, Applicant does not believe that either Leon or Gravell teach or suggest a plurality of cryptographic devices as recited in each of these claims.

Thus, Applicant believes the Examiner has made a clear error in failing to establish that the cited references teach or suggest each of the elements of claims 1-120 and requests review of these rejections.

II. Improper Combination of References

Further, Applicant believes the proposed combination of Gravell with Leon would change the principle of operation of Leon, which is the primary reference. The proposed modification or combination of the prior art cannot change the principle of operation of the prior art invention being modified. See MPEP § 2143.01.

As discussed above, Leon teaches a system with a specialized secure meter device that maintains a set of security relevant data items (SRDIs) such as revenue registers and cryptographic keys and performs the secure processing required by a postage metering system. See column 4, lines 44-49 of Leon. The SMD and postal metering system are housed in a tamper-proof case and located in proximity to the host PC such that a printer, scale or similar peripheral device can be directly coupled to the postage meter system and SMD of Leon. See Figures 1A, 1B, 2A, 2B, 3A and 3B and column 2, lines 49-52 and column 4, lines 3-7 of Leon. As discussed above, the Examiner seeks to cure the defects of Leon by modifying Leon in view of Gravell. However, Gravell explicitly teaches away from such a combination with Leon and, also, this combination would change the operating principle of Leon. Gravell teaches a system utilizing a virtual postage metering system that is accessed at a remote data center. This system is specifically designed to avoid the use of physical meters such as those taught in Leon. See column 4, lines 4-12 of Gravell. Thus, one of ordinary skill in the art would not think to

combine the virtual system of Gravell with the physical meter system of Leon. Further, the proposed modification of Leon to place the physical meter of Leon at a remote location or to somehow modify the physical meter of Leon to be virtual in the manner of the Gravell system changes the principle of operation for Leon by making it a virtual system as opposed to a physical meter system and renders Leon unfit for its intended purpose. By making the postage metering system of Leon remote from the user, the user is not able to locally access or use in combination with the physical meter of Leon a scale plugged in to the physical meter or a printer that is part of the physical meter as taught by Leon. Thus, combining the virtual system of Gravell, which is executed on the remote data center, with the physical postage device of Leon is improper. Therefore, the Examiner has improperly combined Leon and Gravell. Accordingly, review of the obviousness rejection of claims 1-120 are requested.

Respectfully submitted,

CHRISTIE, PARKER & HALE, LLP

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